



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION IX
75 Hawthorne Street
San Francisco, CA 94105-3901

URGENT LEGAL MATTER - PROMPT REPLY NECESSARY

May 23, 2008

Re: Special Notice Letter for the Cooper Drum Company Superfund Site, 9316 South Atlantic Avenue, South Gate, California

The United States Environmental Protection Agency ("EPA") considers you to be potentially responsible for costs incurred in connection with contamination at the Cooper Drum Company Superfund Site in Southgate, Los Angeles County, California (the "Site") and requests that you participate in upcoming negotiations to complete the remedial design and conduct the remedial action for the Site. You were previously notified by letter that EPA considers you to be a Potentially Responsible Party ("PRP") for the Site due to the release or threatened release of hazardous substances. Under Section 107(a) of the Comprehensive Environmental Response, Compensation, and Liability Act ("CERCLA"), 42 U.S.C. § 9607, responsible parties are liable for the cleanup of the Site, including all costs incurred by the government in responding to releases at the Site. The negotiation period initiated by this letter is intended to allow EPA and the PRPs to negotiate a Consent Decree under which the PRPs will implement the remedial design and remedial action ("RD/RA") for the Site. Sections 106(a) and 107(a) of CERCLA, 42 U.S.C. §§ 9606(a) and 9607(a), require responsible parties to undertake or finance certain actions to protect public health, welfare, or the environment from Superfund site hazards. Responsible parties are also liable for government costs incurred in responding to the release or threatened release of a hazardous substance at a Superfund site. This letter also formally demands reimbursement of unpaid costs that have been incurred, and are expected to be incurred, by the United States at the Site.

Site Information

The Cooper Drum Company Superfund Site is approximately 3.8 acres and is located in a mixed commercial, industrial and residential area. The Site has been used to recondition steel

drums that previously held a variety of industrial chemicals. EPA completed its Remedial Investigation of the Site in May 2002. The investigation concluded that substantial portions of the soil and groundwater beneath the Site have been contaminated by volatile organic compounds ("VOCs"), mainly chlorinated solvents such as trichloroethene ("TCE") and isomers of dichloroethene ("DCE") and dichloroethane ("DCA"). Other contaminants of concern are 1,4 dioxane in the groundwater and polycyclic aromatic hydrocarbons ("PAHs"), polychlorinated biphenyls ("PCBs") and lead in the soil. EPA also performed a Feasibility Study to evaluate potential alternatives to clean up the contaminated soil and groundwater at the Site.

In September 2002, EPA issued a Record of Decision ("ROD") which selected the remedial actions for the Site. The groundwater remedy consists of using a combination of *in situ* chemical treatment to enhance remediation of VOCs and 1,4 dioxane in the source area, and extraction and treatment of the contaminated groundwater. The selected soil remedy for VOCs consists of using dual phase extraction ("DPE") due to the presence of a perched aquifer. DPE is a process in which contaminated soil vapors and groundwater are extracted simultaneously for treatment of VOCs. The selected soil remedy for non-VOCs (i.e. PAHs, PCBs and lead) is excavation and off-site disposal. Institutional controls, which would limit access and soil disturbing activities, will be required in areas where excavation is not feasible.

EPA has been working on the Remedial Design ("RD") for the selected remedies. In June 2006, a Pilot-Scale Treatability Study was completed, which evaluated using an *in situ* chemical oxidation treatment technology injecting ozone and hydrogen peroxide into the contaminated groundwater. The results of the study showed significant reductions of both VOCs and 1,4 dioxane in the groundwater. Therefore, this treatment technology will be selected to implement the *in situ* portion of the groundwater remedy in the source area.

Special Notice and Negotiation Moratorium

EPA has determined that use of the special notice procedures set forth in Section 122(e) of CERCLA, 42 U.S.C. § 9622(e), may facilitate a settlement between you and EPA. Upon receipt of this Special Notice, you will have sixty (60) days to coordinate with the other PRPs to present to EPA a "good faith offer" to finish the remedial design and conduct or finance the remedial action and negotiate a Consent Decree. The negotiation moratorium will be extended for an additional 60 days if EPA determines that the PRPs have provided EPA with a timely good faith offer. During this 120-day negotiation moratorium EPA will not commence remedial action at the Site. However, EPA reserves the right to take action at the Site at any time should a significant threat to human health or the environment arise. A proposed Consent Decree is enclosed to assist you in developing a good faith offer. This draft Consent Decree is not currently binding on EPA and is subject to revision and approval by EPA and the United States Department of Justice ("DOJ"). When approved by EPA and DOJ, the Consent Decree will be lodged in federal court. Appendices to this Consent Decree include the above referenced ROD as well as a proposed Statement of Work for Remedial Action ("SOW"). Other appendices include a map of the Site and lists of possible owner and non-owner Settling Defendants.

If EPA does not receive a good faith response to which you are a signatory within the sixty-day moratorium period, EPA will conclude that you do not wish to negotiate a resolution of your liabilities in connection with this response action and that you have declined involvement in performing the response activities. However, you may be held liable under Section 107 of CERCLA for the cost of the response activities EPA performs at the Site.

If a settlement cannot be reached and the PRPs elect not to implement the remedial action, EPA will take appropriate measures to ensure implementation of the remedial action. EPA may issue a Unilateral Administrative Order ("UAO") to you and the other PRPs under Section 106(a) to perform the work described in the ROD; EPA may fund the remedial design and the remedial action; and/or EPA may pursue civil litigation against you or the other PRPs pursuant to Section 106(a) to compel compliance, and pursue a Section 107 cost recovery claim against you and the other PRPs.

Good Faith Offer

A "good faith offer" to conduct or finance the RD/RA consists of one written proposal by the interested PRPs that demonstrates the PRPs' qualifications and willingness to conduct or finance the design, implementation, and monitoring of the remedy, and reimburse EPA's past cost and future response costs.

In order for your proposal to be considered a good-faith offer, it must contain the following elements:

- * A statement of the PRPs' willingness and financial ability to implement the requirements of the ROD and proposed SOW that provides a sufficient basis for further negotiation;
- * A demonstration of the PRPs' technical capability to carry out the remedial action, including the identification of the firm(s) that may actually conduct the work or a description of the process by which the firm(s) will be selected;
- * A response to the proposed Consent Decree. If the PRPs' offer contemplates modifications to the proposed Consent Decree, the PRPs shall indicate only the top ten issues or proposed modifications to the Decree. This is a model decree and EPA will not be negotiating substantial changes;
- * A statement of the PRPs' willingness to reimburse EPA for past costs as well as the costs EPA will incur in overseeing implementation of the remedial action. A summary of past response costs incurred through September 30, 2007 is included on the enclosed CD;
- * A list identifying each party on whose behalf the offer has been made, including name, address, and telephone number of each party; and
- * The name, address, and phone number of the party who will represent you in negotiations.

In accordance with CERCLA, the United States has already taken certain actions and incurred certain costs in response to conditions at the Site. The cost of the EPA response actions performed at the Site through September 30, 1997 is \$10,012,808.56. This amount has been calculated in accordance with the Federal Financial Management Improvement Act of 1996 (Title VIII, Pub.Law 104-208).

In accordance with Section 107(a) of CERCLA, demand is hereby made for payment of the above amount plus any and all interest recoverable under Section 107. The United States also anticipates expending additional funds for response activities at the Site. Whether the United States funds the response action or simply incurs costs by overseeing the parties conducting the response activities you are potentially liable for all costs incurred by the United States plus interest.

Interest on past costs incurred will accrue from the date of this demand for payment or any previous demand, whichever is earlier. Interest on future costs will accrue from the date of expenditure. In the event that you file for protection in a bankruptcy court, EPA reserves the right to file a proof of claim or application for Reimbursement of Administrative Expenses against the debtor's estate.

PRP Steering Committee

EPA encourages you to establish and maintain a coordinated and constructive dialogue with the other PRPs for the Site and EPA. The best mechanism for developing this dialogue is a steering committee responsible for representing the group's interests. To facilitate communication, we are enclosing the names and addresses of the other recipients of these Special Notice letters.

Administrative Record

In accordance with Section 113 of CERCLA, EPA has established an Administrative Record containing the documents used by EPA to select the appropriate response action for the Site. This Administrative Record is available to the public for inspection and comment at the following locations:

U.S. EPA Superfund Records Center
95 Hawthorne Street, Suite 403S
San Francisco, CA 94105-3901
Telephone: (415) 536-2000

Leland R. Weaver Library
4035 Tweedy Boulevard
Southgate, CA

You may wish to review the Administrative Record to assist you in responding to this letter, but your review should not delay such response beyond the sixty-day time limit.

PRP Response and EPA Contact Persons

You are encouraged to contact EPA by June 15, 2008 to indicate your willingness to participate in future negotiations concerning this Site. You may respond individually or through a steering committee. If EPA does not receive a timely response, EPA will assume that you do not wish to negotiate a resolution of your liabilities in connection with the Site, and that you have declined any involvement in performing the response activities. You may be held liable by EPA under Section 107 of CERCLA for the costs of the cleanup activities EPA performs at the Site.

Your response to this Special Notice letter, including written proposals to perform the remedial action selected for the Site, should be sent to:

Eric Yunker (SFD-7-3)
U.S. Environmental Protection Agency
75 Hawthorne Street
San Francisco, CA 94105
(415) 972-3159

Please direct any legal questions to:

Jim Collins (ORC-3)
U.S. Environmental Protection Agency
75 Hawthorne Street
San Francisco, CA 94105
(415) 972-3894

The factual and legal discussions in this letter are intended solely to provide notice and information, and such discussions are not to be construed as a final EPA position on any matter set forth herein. Due to the seriousness of the environmental and legal problems posed by the conditions at the Site, EPA urges that you give immediate attention to this letter and provide a prompt response.

My staff and I look forward to working with you during the coming months.

Sincerely,



Kathleen Salyer, Chief
Site Cleanup Branch, Superfund Division

Enclosures:

Draft Consent Decree w/Appendices
Response Costs Summary
List of Special Notice Letter Recipients